

91<sup>st</sup> Legislative Session – 2016

Committee: Joint Committee on Appropriations

Friday, February 19, 2016

P - Present  
E - Excused  
A - Absent

Roll Call

P Rep. Bordeaux  
P Rep. Ring  
P Rep. Jensen (Alex)  
P Rep. Partridge  
P Rep. Anderson  
P Rep. Hunhoff (Jean)  
P Rep. Romkema  
P Sen. Buhl O'Donnell  
P Sen. Parsley  
P Sen. Omdahl  
P Sen. Van Gerpen  
P Sen. Haverly  
P Sen. Heineman (Phyllis)  
P Sen. White  
P Rep. Dryden  
P Sen. Tidemann  
P Rep. Cronin, Co-Chair  
P Sen. Peters, Co-Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Co-Chair Deb Peters.

MOTION: TO APPROVE THE MINUTES OF FEBRUARY 2, 2016

Moved by: Anderson  
Second by: Tidemann  
Action: Prevailed by voice vote.

MOTION: TO APPROVE THE MINUTES OF FEBRUARY 3, 2016

Moved by: Anderson  
Second by: Tidemann  
Action: Prevailed by voice vote.

MOTION: TO APPROVE THE MINUTES OF FEBRUARY 18, 2016

Moved by: Hunhoff (Jean)  
Second by: Jensen (Alex)  
Action: Prevailed by voice vote.

MOTION: TO APPROVE THE MINUTES OF FEBRUARY 10, 2016

Moved by: Jensen (Alex)  
Second by: Tidemann  
Action: Prevailed by voice vote.

HB 1043: revise the state aid to special education formula.

Presented by: Kelsey Hanson, Bureau of Finance & Management  
Others: Tami Darnall, South Dakota Department of Education

THE CHAIR DEFERRED HB 1043

HB 1044: revise the state aid to general education formula.

Presented by: Kelsey Hanson, Bureau of Finance & Management

THE CHAIR DEFERRED HB 1044

SB 9: make an appropriation to fund the Native American achievement schools grant program and paraprofessional tuition assistance scholarship program and to declare an emergency.

Presented by: Tami Darnall, South Dakota Department of Education  
Proponents: Mato Standing High, Department of Education  
Others: Jason Dilges, Commissioner of the Bureau of Finance & Management

MOTION: AMEND SB 9

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On page 1, line 5, of the printed bill, delete "from the general fund".

On page 1, line 6, after "necessary," insert "in other fund expenditure authority".

On page 1, line 7, after "Education" insert ", payable from funds derived from the workforce education fund created in § 13-13-88,".

On page 1, delete lines 13 to 15, inclusive.

Moved by: Tidemann  
Second by: Dryden  
Action: Prevailed by voice vote.

#### THE CHAIR DEFERRED SB 9

HB 1205: authorize certain eligible school districts to receive an allocation for limited English proficiency.

Presented by: Representative Johns  
Proponents: Mozamil Daud, Box Elder Job Corps  
Ahmed Hussein, Box Elder Job Corps  
Jose deLoera, Box Elder Job Corps  
Marea Sides, Box Elder Job Corps  
Robert Monson, School Administrators of South Dakota  
Bonnie Fuller, Lead/Deadwood Career Tech (Handouts: No. 1 & 2)  
Opponents: Kelsey Hanson, Bureau of Finance & Management

#### THE CHAIR DEFERRED HB 1205

HB 1159: establish the nonbeneficiary student scholarship program for certain students attending tribally controlled colleges.

#### THE CHAIR DEFERRED HB 1159

The Joint Committee members discussed the upcoming budget setting:

- Representative Cronin requested the LRC staff to prepare motion sheets for every department that has replaced federal funds with general funds, and a motion sheet for general fund increases for any department ie: Social Services support providers, employee compensation, etc.

- Senator Peters commented that the Joint Appropriations Committee works diligently and takes a hard look at each department; and will continue to look at all expansions.
- Senator Tidemann reminded the Committee that they should also look at "other" funded programs that are now going to be funded with general funds.
- Senator Buhl-O'Donnell requested a motion sheet that would eliminate all requested increases in travel costs.
- Senator Parsley requested the staff also look at fee increases/receipts that are being proposed by several agencies.
- Senator Van Gerpen commented on the M&R fund and wants to discuss reducing the available M&R funds from 2% to 1.5% of the replacement cost.
- Representative Anderson commented on the work the Committee performs and that they were requested to look at making serious cuts to department budgets.
- Representative Partridge requested LRC staff to prepare a 3-year history of federal fund and general fund utilization for agencies.
- Senator Peters requested staff look at the departments of Social Services, Health and Human Services where South Dakota funds more than the federal requirement.
- Representative Jensen commented on the work of the Joint Appropriations Committee and requested staff also look at the TANF programs and the "move to market" for state employees, both of which are good programs, but unfortunately must be considered for cuts.
- Senator Tidemann reminded the Committee that in many cases the "federal funds" are merely an authorization, not cash.
- Senator Van Gerpen requested information on increases in the medicaid match.
- Senator Omdahl spoke to the special bills paying off bonds and the demolition of buildings.
- Senator Heineman asked what is Plan B and could it be phased in over 3 years.
- Senator Parsley applauded Representative Cronin for his suggestions but said he was keeping his eye on the half-cent sales tax.
- Representative Romkema commented that we should also be looking at sales tax exemptions and stop the erosion of our sales tax base.

- Representative Ring talked about budget revisions and suggested the state dip further than 10% into the rainy day fund.
- Representative Partridge asked for information on the underutilization of FTEs.
- Senator Heineman also suggested reviewing the underutilized medicaid funds.
- Senator Tidemann reminded the Committee to remember the impact the deep cuts will have on the people we serve.
- Senator Heineman said the Committee is charged with funding state government and also serving individual taxpayers.
- Senator White commented that he felt the teachers may not be happy with their raise if it came as a result of cuts to the less fortunate in the state. The Committee needs to look for other sources of revenue and maybe bring this issue back next year.
- Senator Peters reminded the Committee the revenue projections went down.

MOTION: ADJOURN

Moved by: Jensen (Alex)  
Second by: Buhl O'Donnell  
Action: Prevailed by voice vote.

Barb Bjorneberg  
Committee Secretary

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DEB PETERS, Co-Chair

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JUSTIN R. CRONIN, Co-Chair